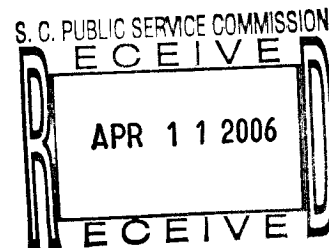




April 6, 2006



The Honorable Charles L. A. Terreni
Chief Clerk & Administrator
Public Service Commission of South Carolina
ATTN: Docketing Department
101 Executive Center Drive
Columbia, South Carolina 29210

Re: Electric Service Agreement – Grant Clarendon Inc.
SCPSC Docket No. 2006-108 -E

Dear Mr. Terreni:

In accordance with S.C. Code Ann. Regs. 103-303 and 103-804(Y)(2), Carolina Power & Light Company, d/b/a Progress Energy Carolinas, Inc. ("Company" or "Progress") files herewith for approval an Application for the Supply of Electricity between Company and a new customer, Grant Clarendon Inc. ("Grant"). This Service Agreement governs electric service to Grant's plant in Clarendon County, South Carolina. Grant is a wood products manufacturing facility making engineered wood panel products.

Because of the commercial sensitivity and proprietary nature of certain provisions of this Service Agreement as well as the highly competitive nature of the industry in which Grant operates, the Company and Grant respectfully request that this Service Agreement be received in its original form under seal for Commission review. An affidavit executed by Mr. Scott Pearson, Vice President Grant Clarendon, Inc., is attached in support of this request for confidential treatment.

I therefore enclose the following:

(1) In accordance with Order No. 2005-226 of Docket No. 2005-83-A, Progress is providing a true and correct copy of the original Service Agreement in a sealed envelope marked "CONFIDENTIAL." Each page of the Service Agreement is also marked "CONFIDENTIAL." We request that the Commission treat the Service Agreement and all copies thereof as confidential and proprietary, and are providing the Service Agreement with the expectation that it is exempt from disclosure to any third parties, including but not limited to exemption from disclosure under the Freedom of Information Act, S.C. Code Ann. §§30-4-10 et seq., or any other provision of law. *See, e.g., S.C. Code Ann. Regs. 103-303, -804(Y)*. We would further request that in the event that anyone should seek disclosure of this unredacted Service Agreement, the Commission give Progress notice of such request and provide it with an opportunity to obtain an order from this Commission or a court of competent jurisdiction protecting the Service Agreement from disclosure. We trust that the Commission would support our efforts to

protect the Service Agreement from disclosure. Grant supports the Company's request for confidential protection.

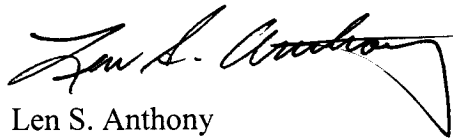
(2) In accordance with Order No. 2005-226, I am also providing a redacted copy of the Service Agreement for filing. This redacted copy can be maintained in the Commission's publicly available files and may be disclosed upon request pursuant to the Commission's general procedures under S.C. Code Ann. Regs. 103-804(Y) and the Freedom of Information Act.

(3) By copy of this letter, we are providing the Office of Regulatory Staff ("ORS") with a redacted copy of the Service Agreement for its records. Additionally, Progress will make the original, unredacted copy of the Service Agreement available for ORS's inspection subject to the provisions of S.C. Code Ann. §58-4-55(C). Pursuant to this section, the Service Agreement is exempt from disclosure under the Freedom of Information Act. Further, the ORS is precluded from disclosing the information obtained from its review to any other person or entity.

The Company further requests that the unredacted (sealed) Service Agreement be returned to the Company subsequent to the Commission's consideration. While we prefer that the Commission not make any copies of the unredacted Service Agreement, we further request that should any copies of the unredacted Service Agreement be made, the Commission provide certification either that all such copies have been destroyed or that all copies have been returned to Progress.

Additionally, the Company respectfully requests that the matter be placed upon the agenda for the Commission's consideration at its next scheduled meeting. We anticipate that ORS will provide the Commission with comments prior to that meeting. If you have any questions regarding this Service Agreement, please do not hesitate to call me at your convenience. Thank you for your kind attention to this matter.

With kind regards,



Len S. Anthony
Deputy General Counsel – Regulatory Affairs

LSA

Attachments

cc: Mr. Dan F. Arnett, ORS
Mr. A. Randy Watts, ORS


STATE OF SOUTH CAROLINA COUNTY OF CLARENDON

AFFIDAVIT OF Scott Pearson

The undersigned, Scott Pearson, first being duly sworn, deposes and says:

1. That I am Vice President for Grant Clarendon Inc. ("Grant Clarendon"),
2. That I have reviewed the Electric Service Agreement dated February 13, 2006 by and between Grant Clarendon and Progress Energy Carolinas, Inc. ("PEC") that was filed with the Public Service Commission of South Carolina ("the Commission").
3. That this Service Agreement contains proprietary, confidential information regarding Grant Clarendon's energy costs that would harm Grant Clarendon's competitive position in the wood products industry if publicly disclosed.
4. That Grant Clarendon supports PEC's request that the unredacted copy of the Service Agreement filed with the Commission be treated as confidential.

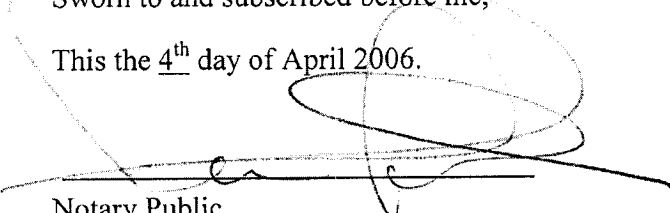
This the 4th day of April, 2006.



Scott Pearson

Sworn to and subscribed before me,

This the 4th day of April 2006.



Notary Public

My commission expires: N/A